

HOUSE BILL 1303
By Arriola

AN ACT to amend Tennessee Code Annotated, Title 71, Chapter 5, relative to reserve fund pool payments to certain TennCare providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section _____. (a) Effective with the implementation of TennCare, the TennCare Bureau shall establish a special fund for reserve fund pool (RF) payments.

(b) The Reserve Fund Pool payments shall consist of two components as follows:

(1) Primary Care Assistance Fund. Twenty million dollars (\$20,000,000) shall be earmarked annually to such fund.

This fund shall be used to make payments to primary care providers whose TennCare caseload exceeds the average total patient caseload for all primary care providers.

For purposes of this subdivision "primary care providers" means:

(A) Primary care physicians:

(i) Physicians who have limited their practice of medicine to general practice, or

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(ii) Physicians who are board certified or board eligible in any of the following: internal medicine, pediatrics, obstetrics/gynecology, or family practice.

(B) Advanced practice nurses, nurse practitioners, and physician assistants engaged in the delivery of primary care.

(C) Community health clinics.

(D) Federally qualified health centers.

The Methodology for calculating payments to primary care providers shall be as follows:

(A) Using data extracted from the encounter data submitted by the Managed Care Organization (MCO) a determination shall be made of each participating primary care provider's total TennCare caseload.

(B) Using data extracted from the department of public health sources, a calculation shall be made of the average total patient caseload of all primary care providers.

(C) A list shall then be compiled of primary care providers whose TennCare caseload exceeds the average. These providers shall be termed qualifying providers, for purposes of the reserve fund pool.

(D) The number of TennCare enrollees for each qualifying provider shall be summarized and divided into twenty million dollars (\$20,000,000) to obtain a value for each enrollee.

(E) The value in subitem (D) shall be multiplied by each qualifying provider's number of enrollees above the average in order to determine the payment to be made to that provider from the reserve fund pool. The minimum annual payment to qualifying providers shall be one thousand

dollars (\$1,000) and the maximum annual payment shall be thirty thousand dollars (\$30,000).

(F) Total payments from the primary care assistance fund shall not exceed twenty million dollars (\$20,000,000). If the total of the payments calculated in subitem (D) exceeds twenty million dollars (\$20,000,000) an allocation of the average shall be made based upon each provider's share before reduction of the average.

(G) The payment shall be made on a semi-annual basis each fiscal year.

(2) Malpractice Assistance Fund. Ten million dollars (\$10,000,000) shall be earmarked annually to such fund.

This fund shall be used to assist physicians who serve TennCare patients with the cost of their malpractice insurance related to TennCare.

The methodology for payments from this fund shall be as follows:

(A) Any physician whose practice is made up of ten percent (10%) or more TennCare patients on an annual basis shall be eligible for assistance with payment of such physician's malpractice premiums.

(B) Using encounter data submitted by the MCOs and surveys of physician practices, the percentage of each qualifying physician's practice which is TennCare shall be determined on an annual basis.

(C) Using information from SVMIC as a standard, the amount of each qualifying physician's malpractice premium shall be verified.

(D) The percentage developed in subitem (B) shall be multiplied by the premium amount determined in subitem (C) to arrive at the maximum payment to be made to each qualifying physician. Should the total maximum payments for all qualifying physicians exceed ten million

dollars (\$10,000,000), these payments shall be adjusted down on a prorated basis.

(E) This payment shall be made on an annual basis after the end of the state's fiscal year.

SECTION 2. The provisions of this act shall be subject to a specific appropriation included in the general appropriations act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.